

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 674-02
Bill No.: Perfected HB 242
Subject: Political Subdivisions: Transient Guest Tax
Type: Original
Date: March 12, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** and the **Department of Economic Development-Division of Tourism** stated that this proposal would have no administrative or fiscal impact to their departments.

City of Louisiana officials stated if voters were to approve the transient guest tax they would have additional revenues to promote tourism. Officials estimated the tax would generate \$7,000 with a minimal amount of administrative costs.

City of Clarksville officials assume there would be additional funds generated from the tax , which would be used to promote tourism. Officials assume there would be some administrative impact from costs associated with collection of the tax. Officials stated any collection costs would be minimal.

Oversight assumes this proposal is enabling legislation and would have no state or local fiscal impact. Local governments would have no fiscal impact without voter approval. Oversight will show fiscal impact as \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

If this proposal were enacted, small businesses of the hotel/motel industry and businesses that rent slips for recreational boating could be expected to be fiscally impacted to the extent that they may incur additional administrative duties and costs related to collection of the tax.

DESCRIPTION

This bill authorizes the Pike County cities of Louisiana and Clarksville to levy a tourism tax on charges for hotel and motel rooms and docking facilities which rent slips for recreational boating. The levy must be at least 2%, but not more than 5%, and must be approved by the voters of the cities.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Economic Development- Division of Tourism
City of Clarksville
City of Louisiana



Jeanne Jarrett, CPA
Director
March 12, 2001